
OLR Bill Analysis

sHB 5269

AN ACT CREATING PARITY BETWEEN PAID SICK LEAVE BENEFITS AND OTHER EMPLOYER-PROVIDED BENEFITS.

SUMMARY:

This bill changes the criteria businesses use to determine if they are exempt from providing paid sick leave. By law, a business is exempt from providing such leave (1) based the types of activities occurring at its facilities and (2) on its overall Connecticut employment level. It is exempt under current law from providing paid sick leave only at those facilities used for manufacturing. It is exempt under the bill if it is classified as a manufacturer under the North American Industrial Classification System (NAICS), regardless of the activities occurring at each facility.

A nonmanufacturing business must provide paid sick leave under current law if it employs 50 or more people in Connecticut during any of the prior calendar year's quarters. Under the bill, it must do so if it employs 50 or more people based on its payroll for the week containing October 1.

The bill changes the timeframe for accruing paid sick leave. Under current law, employees accrue one hour of sick leave for every 40 hours worked per calendar year. Under the bill, they accrue one hour of paid sick leave for every 40 hours worked during whatever 365-day year the business uses to calculate employee benefits. This allows the employer to start the benefit year on any date, rather than only on January 1. The bill makes conforming changes.

EFFECTIVE DATE: January 1, 2015

MANUFACTURING EXEMPTION

The bill extends the law's manufacturing exemption to all facilities a manufacturer operates. Current law exempts a manufacturer from

providing paid sick leave based on how NAICS classifies the type of activity conducted at each of its facilities. Consequently, a manufacturer with separate administrative facilities and manufacturing plants could be required to provide paid sick leave at the former, but not at the latter.

The bill exempts the business from providing paid sick leave as long as it primarily falls under NAICS's manufacturing categories, regardless of the activities conducted at its different facilities. This could reduce the number of a business' employees entitled to the paid sick leave benefit.

NONMANUFACTURING BUSINESSES

The bill also changes the method for determining if a nonmanufacturing business is exempt from providing paid sick leave. Under current law, it must provide the leave if it employs 50 or more people in Connecticut during any of the previous year's quarters. It must determine if it exceeds this threshold by January 1 annually based on the quarterly reports it submits to the labor commissioner. Under the bill, the 50-employee threshold applies for the year if the business employs at least that number of employees based on its payroll for the week containing October 1.

COMMITTEE ACTION

Commerce Committee

Joint Favorable

Yea 13 Nay 3 (03/11/2014)